

3400 CENTRE SQUARE WEST  
1500 MARKET STREET  
PHILADELPHIA, PA. 19102  
(215) 972-3400

38 SQUARE DE MEEUS, BTE 1  
1040 BRUSSELS, BELGIUM  
(02) 511 80 40

52 BEDFORD SQUARE  
LONDON WC1B 3EX, ENGLAND  
01. 631. 3383

LAW OFFICES OF  
**DECHERT PRICE & RHOADS**

SUITE 1100  
1730 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20006  
(202) 783-0200

RECORDATION NO. *9605-J* FILED 1425  
ELEVEN BROADWAY  
NEW YORK, N. Y. 10004  
(212) 425-3510

OCT 29 1982 2 40 PM  
INTERSTATE COMMERCE COMMISSION  
2-302A090  
ONE DENVER PLACE  
SUITE 1601  
999 18TH STREET  
DENVER, CO. 80202  
(303) 623-1777  
800 NORTH THIRD STREET  
HARRISBURG, PA. 17102  
(717) 233-7947

October 28, 1982

Agatha L. Mergenovich, Secretary  
Interstate Commerce Commission  
12th and Constitution Avenue, N.W.  
Washington, D.C. 20423

No. *9605-J*  
OCT 29 1982  
Date.....  
Fee \$ *10.00*

ICC Washington, D. C.

Dear Secretary Mergenovich:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations, I enclose for filing and recordation seven originals and two copies of the following document:

Second Loan Modification and Moratorium Agreement dated September 30, 1982 by and among First National Bank and Trust Company, First Peoples Bank of New Jersey, First State Bank (formerly West Side Bank), Hazelton National Bank and Girard Leasing Corporation.

This document relates to boxcars subject to a Loan Modification and Moratorium Agreement among First National Bank and Trust Company, First Peoples Bank of New Jersey, First State Bank (formerly West Side Bank), Hazelton National Bank (Lenders) and Girard Leasing Company (Debtor) dated November 21, 1980 and assigned Recordation Number 9605-J, and a First Amendment to Loan Modification Agreement dated February 6, 1981, filed with the Commission February 10, 1981, and assigned Recordation Number 9605-K.

The names and addresses of the parties to the aforementioned document to be filed are:

(a) Lenders:

First National Bank and Trust Company  
P.O. Box 391  
Waynesboro, Pennsylvania 17268

First Peoples Bank of New Jersey  
Cuthbert and MacArthur Drive  
Haddon Township, New Jersey 08108

RECEIVED  
OCT 29 2 34 PM '82  
I.C.C.  
FEE OPERATION BR.

*Kristine E. Wilhelm*

*11*

Agatha L. Mergenovich, Secretary  
October 28, 1982  
Page Two

First State Bank  
(formerly West Side Bank)  
101 North Main Street  
Scranton, Pennsylvania 18504

Hazleton National Bank  
Broad and Laurel Streets  
Hazleton, Pennsylvania 18201

(b) Debtor:

Girard Leasing Corporation  
3 Girard Plaza  
Philadelphia, Pennsylvania 19101

The Second Loan Modification and Moratorium Agreement relates to the following boxcars:

Fifty-One (51) 50'6" 70-ton  
XM rated boxcars bearing Road  
Numbers SFLC 900000-900050.

Please file the Second Loan Modification and Moratorium Agreement, cross-indexing it under the names of the Lenders and Debtor. A check is enclosed for \$10.00 as prescribed pursuant to 49 U.S.C. § 1116.3(d).

Please stamp all of the originals and copies of the Second Loan Modification and Moratorium Agreement and the attached copies of the transmittal letter with your official recording stamp. You will wish to retain one original and one copy of each document and the original of the transmittal letter for your file. Please return the remaining originals and the copies of the Second Loan Modification and Moratorium Agreement and the transmittal letter to the bearer of this letter.

Sincerely,

  
Charles A. Spitulnik

CAS/ec  
Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

10/29/82

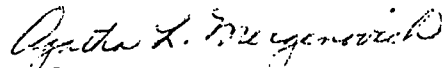
OFFICE OF THE SECRETARY

Charles A. Spitulnik  
Dechert Price & Rhoads  
Suite 1100  
1730 Pennsylvania Ave. N.W.  
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/29/82 at 2:40pm, and assigned re-recording number(s). 9605-0

Sincerely yours,

  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

SE-30  
(7/79)

OCT 29 1982 -2 40 PM

SECOND LOAN MODIFICATION  
AND MORATORIUM AGREEMENT INTERSTATE COMMERCE COMMISSION

This is a SECOND LOAN MODIFICATION AND MORATORIUM AGREEMENT (the "Second Agreement") dated as of September 30, 1982 by and among FIRST NATIONAL BANK AND TRUST COMPANY, a Pennsylvania Banking Corporation with principal offices in Waynesboro, Pennsylvania ("First National"), FIRST PEOPLES BANK OF NEW JERSEY, a New Jersey banking corporation with principal offices in Haddon Township, New Jersey ("First Peoples"), FIRST STATE BANK (formerly West Side Bank), a Pennsylvania Bank with principal offices in Scranton, Pennsylvania ("First State"), and HAZELTON NATIONAL BANK, a banking corporation with principal offices in Hazelton, Pennsylvania ("Hazelton National") (First National, First Peoples, First State and Hazelton National hereinafter collectively referred to as the "Lenders") and GIRARD LEASING CORPORATION, a Pennsylvania corporation with principal offices located at Three Girard Plaza, Philadelphia, Pennsylvania ("Debtor").

BACKGROUND

A. On August 7, 1978, Debtor executed and delivered to each Lender Debtor's nonrecourse promissory note (the "Nonrecourse Notes"), the terms and conditions of which are

incorporated herein by this reference, in the original principal amounts and with principal balances and accrued interest as of the date hereof and since the dates noted below ("Last Payment Dates") as follows:

<u>Lender</u>	<u>Original Principal Amount of Note</u>	<u>Last Payment Date</u>	<u>Principal Balance Outstanding</u>	<u>Interest Outstanding September 30, 1982</u>	<u>Per Diem Interest</u>
First National	\$250,000.00	2/7/80	\$206,112.05	\$ 55,912.83	\$ 57.88
First Peoples	\$499,934.00	2/7/80	\$412,173.28	\$111,814.50	\$115.75
First State	\$300,000.00	2/7/80	\$247,354.43	\$ 68,623.76	\$ 69.46
Hazelton National	\$475,000.00	2/7/80	\$391,520.58	\$106,101.75	\$109.95

B. The proportionate participation that each Lender has in the total obligation of Debtor to Lenders evidenced by the Nonrecourse Notes is as follows:

<u>Lender</u>	<u>Proportionate Share of Total Financing</u>
First National	16.0%
First Peoples	33.0%
First State	20.0%
Hazelton National	31.0%

C. Each of the Nonrecourse Notes is secured by a security agreement and an assignment of lease of even date therewith (except for the First Peoples security agreement which is dated August 1, 1978) (said Nonrecourse Notes, Security Agreement, and Assignment of Lease being hereinafter called the "Loan Documents") evidencing Lenders' undivided

pro-rated interest in fifty-two (52) boxcars and related equipment subsequently reduced to fifty-one (51) boxcars as a result of one boxcar having been destroyed (the "Equipment") all as defined in the Loan Documents, which were in turn leased by the Debtor to National Railway Utilization Corporation, a South Carolina corporation with principal offices located at 402 Cedar Rock Street, Pickens, South Carolina 29671 ("NRUC") and Pickens Railroad Company, a South Carolina corporation with principal offices located at 402 Cedar Rock Street, Pickens, South Carolina 29671 ("PRC") as co-lessees (hereinafter collectively called the "Lessee") pursuant to a lease agreement dated July 27, 1978 supplemented by an Equipment Schedule also dated as of July 27, 1978 (the "Lease").

D. Lessee's failure to pay rent has caused the Debtor to default under each of the Notes. The Lease was terminated pursuant to an Equipment Lease Termination Agreement between Debtor and Lessee and approved by Lenders dated as of November 13, 1980.

E. By Loan Modification and Moratorium Agreement dated as of November 19, 1980 and amended by First Amendment dated as of February 6, 1981 (the "First Agreement"), Debtor requested and Lenders agreed to modify and grant a moratorium as to the payment of principal and interest on the Loan

Documents pursuant to the terms and conditions set forth therein.

F. The First Agreement provided that on September 30, 1982 Debtor had the option to convert the Nonrecourse Notes to a term loan as set forth therein or to quitclaim its interest in the Equipment in favor of Lenders.

G. Debtor has determined that it is unwilling to convert the Nonrecourse Notes to a term loan as set forth in the First Agreement and, accordingly, has informed Lenders that Debtor is prepared to quitclaim the Equipment to them. Lenders have requested and Debtor has agreed to postpone quitclaiming its interest in the Equipment and, instead, to enter into this Second Agreement on the terms and conditions set forth herein.

#### TERMS

NOW THEREFORE, Lenders and Debtor, intending to legally bound, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

1. Repayment of the Nonrecourse Notes. The terms of repayment of the Nonrecourse Notes are hereby modified so that, effective as of the Last Payment Date, all past due, current and future installments of principal, interest and

other sums required thereunder are deferred until September 30, 1983.

2. Debtor's Assistance to Lenders. Debtor shall assist Lenders in the management and remarketing of the Equipment by becoming a clearinghouse for the selection by Lenders of storage facilities for the Equipment and for proposals regarding sale of the Equipment.

3. Turnover of Funds Held by Debtor. Upon execution hereof, Debtor shall turn over to Lenders, after deduction of all outstanding expenses, all funds, if any, then held by Debtor arising from operation of the Equipment.

4. All Expenses For Lenders' Account. All expenses incurred in the management, maintenance, marketing and preservation of the Equipment shall be at the sole cost and expense of Lenders. Unless Debtor notifies Lenders in writing to the contrary, Debtor shall advance all such costs and expenses and thereafter submit a statement at the end of each calendar quarter for reimbursement of costs advanced. All such statements shall be paid within thirty days of their issuance.

5. Marketing of Equipment; The Offering Prices. Debtor shall inform all prospective purchasers of railcars seeking specifications and proposals from owners that



Lenders have authorized sale of the Equipment on the following alternative net payment terms to Lenders per unit of Equipment (the "Offering Prices"):

- (a) \$11,500, less a maximum of \$800 for sales commissions, payable at Closing; F.O.B. car storage location on the Iowa Railroad "AS IS, WHERE IS."
- (b) Subject to the credit approval of Lenders, \$12,500 with a downpayment of \$3,500, less a maximum of \$800 for sales commissions, payable at Closing and a secured note for the balance of \$9,000 executed in favor of and delivered to Lenders at Closing and payable on the following terms: interest on the outstanding principal at the rate of 9 1/2% per annum; monthly payments of interest only for the next succeeding eleven months; payment of the outstanding principal and accrued interest thereon at the end of the twelfth month; F.O.B. car storage location on the Iowa Railroad "AS IS, WHERE IS."
- (c) Subject to the credit approval of Lenders, \$12,500 with a downpayment of \$3,500, less a maximum of \$800 for sales commissions, payable at Closing and a secured note for the balance of \$9,000 executed in favor of and delivered

to Lenders at Closing, with the note to be payable on the following terms: interest on the outstanding principal at the rate of 9 1/2% per annum; monthly payments of interest only for the next succeeding twenty-three months, with a payment of \$4,500 against principal in the twelfth month, and the outstanding principal of \$4,500 and accrued interest thereon payable at the end of the twenty-fourth month; F.O.B. car storage location on the Iowa Railroad "AS IS, WHERE IS."

Debtor shall not be authorized to represent the availability of the Equipment at a price and on terms or conditions other than the Offering Prices unless Debtor shall be in possession of written instructions to the contrary signed by each Lender.

6. Debtor's Marketing of Railcars in Competition with Lenders. Lenders hereby acknowledge that (i) Debtor and its affiliates have equity interests in railcars and related equipment (the "Competing Equipment") similar to the Equipment referred to in this Second Agreement, (ii) Debtor will be remarketing the Competing Equipment in competition with the Equipment, and (iii) a prospective purchaser of railcars

might very possibly select the Competing Equipment rather than the Equipment. Lenders understand that in addition to price per unit, purchasers of railcars consider such factors as age, condition, UMLER value, and location of railcars. Debtor agrees that it shall inform prospective purchasers of the availability of the Equipment when it receives requests for a proposal for sale of railcars unless the Equipment does not meet the criteria set forth in said proposal.

7. Termination of First Agreement. Upon execution of this Second Agreement, the First Agreement shall terminate and all rights and obligations thereunder shall become null and void.

8. Termination of Second Agreement. This Second Agreement shall terminate on September 30, 1983 or sooner upon the sale of the Equipment as provided in paragraph 5 hereof. In the event there is no sale of the Equipment prior to September 30, 1983, then on September 30, 1983, Debtor shall deliver to Lenders a bill of sale in the form attached hereto and marked as Exhibit "A" contemporaneously with Lenders forgiving Debtor of all remaining obligations under the Notes and executing and delivering to Debtor the unconditional release attached hereto and marked as Exhibit "B".

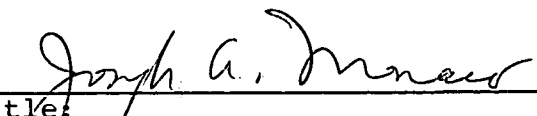
9. No Survival. Except to the extent of the nonrecourse payment obligation under the Loan Documents, none of Debtor's representations, obligations or covenants provided for in the Loan Documents continue as of the date hereof and Debtor is hereby released from any such obligations not specifically set forth in this Second Agreement.

10. Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

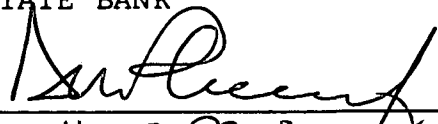
FIRST NATIONAL BANK AND TRUST COMPANY

By   
Title: PRESIDENT

FIRST PEOPLES BANK OF NEW JERSEY

By   
Title: VICE PRESIDENT

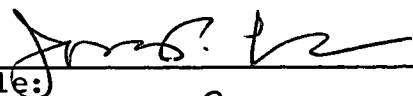
FIRST STATE BANK

By   
Title: VICE PRESIDENT

HAZELTON NATIONAL BANK

By   
Title: Vice President

GIRARD LEASING CORPORATION

By   
Title: VP.

STATE OF *Pennsylvania* :  
COUNTY OF *Philadelphia* :

On this *6<sup>th</sup>* day *October*, 1982, before me  
appeared *Joseph P. Leska*, to me personally known,  
who being by me duly sworn, says that he is the *Vice President*  
of GIRARD LEASING CORPORATION, a Pennsylvania corporation,  
that the foregoing instrument was signed on behalf of said  
Corporation by authority of its Board of Directors, and he  
acknowledged that the execution of the foregoing instrument  
was and remains the free act and deed of said Corporation.


*Michael H. McGuck*  
\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission Expires: *April 27, 1985*

STATE OF *Pennsylvania* :  
COUNTY OF *Lackawanna* :

On this *8<sup>th</sup>* day *October*, 1982, before me  
appeared *DAVID W. PHANOUF*, to me personally known,  
who being by me duly sworn, says that he is the *Vice President*  
of FIRST STATE BANK (formerly West Side Bank), a Pennsylvania  
bank, that the foregoing instrument was signed on behalf of  
said Corporation by authority of its Board of Directors, and  
he acknowledged that the execution of the foregoing instrument  
was and remains the free act and deed of said Corporation.

  
\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission Expires:

ANN M. BEAGLE, Notary Public

My Commission Expires April 21, 1986

Scranton, Lackawanna County, Pa.

STATE OF *PA*  
COUNTY OF  *Luzerne*

:  
:  
:

On this *13th* day *October*, 1982, before me  
appeared *Arthur A. Tarone*, to me personally known,  
who being by me duly sworn, says that he is the *Vice Pres.*  
of HAZELTON NATIONAL BANK, a Pennsylvania banking corporation,  
that the foregoing instrument was signed on behalf of said  
Corporation by authority of its Board of Directors, and he  
acknowledged that the execution of the foregoing instrument  
was and remains the free act and deed of said Corporation.

*Lori J. Watkins*  
Notary Public

[Notarial Seal]

My Commission Expires:

LORI J. WATKINS, NOTARY PUBLIC  
HAZLETON, LUZERNE COUNTY  
MY COMMISSION EXPIRES SEPT. 22, 1984  
Member, Pennsylvania Association of Notaries

STATE OF PENNSYLVANIA :  
COUNTY OF FRANKLIN :

On this 14<sup>th</sup> day OCTOBER, 1982, before me  
appeared ANSON B. GOOD, to me personally known,  
who being by me duly sworn, says that he is the **PRESIDENT**  
of FIRST NATIONAL BANK AND TRUST COMPANY, a Pennsylvania  
banking corporation, that the foregoing instrument was signed  
on behalf of said Corporation by authority of its Board of  
Directors, and he acknowledged that the execution of the  
foregoing instrument was and remains the free act and deed of  
said Corporation.

Arlene G. Jones  
Notary Public

[Notarial Seal]

My Commission Expires:

ARLENE G. JONES, Notary Public  
Waynesboro Franklin County Pennsylvania  
My Commission Expires July 26, 1984



STATE OF *New Jersey* :  
COUNTY OF *Camden* :

On this *25<sup>th</sup>* day *October*, 1982, before me  
appeared *Joseph A. Monaco*, to me personally known,  
who being by me duly sworn, says that he is the *Vice President*  
of FIRST PEOPLES BANK OF NEW JERSEY, a New Jersey banking  
corporation, that the foregoing instrument was signed  
on behalf of said Corporation by authority of its Board of  
Directors, and he acknowledged that the execution of the  
foregoing instrument was and remains the free act and deed of  
said Corporation.

*Debra L. S. Holloway*  
Notary Public

[Notarial Seal]

My Commission Expires:

DEBRA L. S. HOLLOWAY  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires August 30, 1987.

BILL OF SALE

GIRARD LEASING CORPORATION ("Transferor") for good and valuable consideration, receipt of which is hereby acknowledged, including but not limited to the granting of certain accommodations and rights under a Second Loan Modification and Moratorium Agreement dated as of September 30, 1982 hereby transfers and assigns to FIRST NATIONAL BANK AND TRUST COMPANY, FIRST PEOPLES BANK OF NEW JERSEY, FIRST STATE BANK and HAZELTON NATIONAL BANK, ("Transferees") AS IS, WHERE IS as their interests may appear, all of its right, title and interest in and to the following described property:

PROPERTY DESCRIPTION

MANUFACTURER

SERIAL NUMBERS

Transferor hereby warrants that it is the lawful owner of the property identified above and that it has the right to sell the same and will warrant and defend the title to said property against the claims and demands of all persons whomsoever.

GIRARD LEASING CORPORATION

By \_\_\_\_\_

Title

Dated:

Exhibit "A"

UNCONDITIONAL RELEASE

KNOW ALL MEN BY THESE PRESENTS that FIRST NATIONAL BANK AND TRUST COMPANY, FIRST PEOPLES BANK OF NEW JERSEY, FIRST STATE BANK and HAZELTON NATIONAL BANK ("Lenders"), for good and valuable consideration, receipt of which is hereby acknowledged, and each intending to be legally bound, on behalf of themselves and their affiliates, successors and assigns, hereby remise, release, acquit and forever discharge GIRARD LEASING CORPORATION and its successors assigns and affiliates, of and from any and all claims, actions, causes of action, proceedings, controversies and liabilities of any kind and nature arising from or related to a LOAN MODIFICATION AND MORATORIUM AGREEMENT dated as of November 19, 1980, FIRST AMENDMENT TO LOAN MODIFICATION AND MORATORIUM AGREEMENT dated as of February 6, 1981, and SECOND LOAN MODIFICATION AND MORATORIUM AGREEMENT dated as of September 30, 1982 all by and between LENDERS and GIRARD LEASING CORPORATION and certain notes, security agreements and assignments of lease referred to therein.

FIRST NATIONAL BANK AND TRUST COMPANY

By \_\_\_\_\_  
Title:

FIRST PEOPLES BANK OF NEW JERSEY

By \_\_\_\_\_  
Title:

FIRST STATE BANK

By \_\_\_\_\_  
Title:

HAZELTON NATIONAL BANK

By \_\_\_\_\_  
Title:

Exhibit "B"